

SENATE AMENDMENTS

2nd Printing

By: Price, Thompson of Harris, Oliverson,
Jetton, Guerra, et al.

H.B. No. 2727

A BILL TO BE ENTITLED

AN ACT

relating to the provision of home telemonitoring services under
Medicaid.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 531.001(4-a), Government Code, is
amended to read as follows:

(4-a) "Home telemonitoring service" means a health
service that requires scheduled remote monitoring of data related
to a patient's health and transmission of the data to a licensed
home and community support services agency, a federally qualified
health center, a rural health clinic, or a hospital, as those terms
are defined by Section 531.02164(a). The term is synonymous with
"remote patient monitoring."

SECTION 2. Section 531.02164, Government Code, is amended
by amending Subsections (a), (b), (c), and (f) and adding
Subsections (c-2) and (c-3) to read as follows:

(a) In this section:

(1) "Federally qualified health center" has the
meaning assigned by 42 U.S.C. Section 1396d(1)(2)(B).

(1-a) "Home and community support services agency"
means a person licensed under Chapter 142, Health and Safety Code,
to provide home health, hospice, or personal assistance services as
defined by Section 142.001, Health and Safety Code.

(2) "Hospital" means a hospital licensed under Chapter

241, Health and Safety Code.

(3) "Rural health clinic" has the meaning assigned by
42 U.S.C. Section 1396d(1)(1).

(b) If the commission determines that establishing a statewide program that permits reimbursement under Medicaid for home telemonitoring services would be cost-effective and clinically effective [~~feasible~~], the executive commissioner by rule shall establish the program as provided under this section.

(c) The program required under this section must:

(1) provide that home telemonitoring services are available only to persons who:

(A) are diagnosed with one or more of the following conditions:

- (i) pregnancy;
- (ii) diabetes;
- (iii) heart disease;
- (iv) cancer;
- (v) chronic obstructive pulmonary disease;
- (vi) hypertension;
- (vii) congestive heart failure;
- (viii) mental illness or serious emotional disturbance;
- (ix) asthma;
- (x) myocardial infarction; [~~or~~]
- (xi) stroke;
- (xii) end stage renal disease;
- (xiii) a condition that requires renal

1 dialysis treatment; or

2 (xiv) any other condition for which home
3 telemonitoring services would be clinically effective, as
4 determined by commission rule; and

5 (B) exhibit at least one ~~[two or more]~~ of the
6 following risk factors:

7 (i) two or more hospitalizations in the
8 prior 12-month period;

9 (ii) frequent or recurrent emergency room
10 admissions;

11 (iii) a documented history of poor
12 adherence to ordered medication regimens;

13 (iv) a documented risk ~~[history]~~ of falls
14 ~~[in the prior six-month period]~~; and

15 (v) ~~[limited or absent informal support~~
16 ~~systems;~~

17 ~~[(vi) living alone or being home alone for~~
18 ~~extended periods of time; and~~

19 ~~[(vii)]~~ a documented history of care access
20 challenges;

21 (2) ensure that clinical information gathered by the
22 following providers while providing home telemonitoring services
23 is shared with the patient's physician:

24 (A) a home and community support services agency;

25 (B) a federally qualified health center;

26 (C) a rural health clinic; or

27 (D) a hospital ~~[while providing home~~

~~telemonitoring services is shared with the patient's physician];~~
~~[and]~~

(3) ensure that the program does not duplicate disease management program services provided under Section 32.057, Human Resources Code;

(4) require a provider to:

(A) establish a plan of care that includes outcome measures for each patient who receives home telemonitoring services under the program; and

(B) share the plan and outcome measures with the patient's physician; and

(5) subject to Subsection (c-2) and to the extent permitted by state and federal law, provide patients experiencing a high-risk pregnancy with clinically appropriate home telemonitoring services equipment for temporary use in the patient's home.

(c-2) For purposes of Subsection (c)(5), the executive commissioner by rule shall:

(1) establish criteria to identify patients experiencing a high-risk pregnancy who would benefit from access to home telemonitoring services equipment;

(2) ensure that, if feasible and clinically appropriate, the home telemonitoring services equipment available under the program include uterine remote monitoring services equipment and pregnancy-induced hypertension remote monitoring services equipment;

(3) subject to Subsection (c-3), require that a

1 provider obtain:

2 (A) prior authorization from the commission
3 before providing home telemonitoring services equipment to a
4 patient during the first month the equipment is provided to the
5 patient; and

6 (B) an extension of the authorization under
7 Paragraph (A) from the commission before providing the equipment in
8 a subsequent month based on the ongoing medical need of the patient;
9 and

10 (4) prohibit payment or reimbursement for home
11 telemonitoring services equipment during any period that the
12 equipment was not in use because the patient was hospitalized or
13 away from the patient's home regardless of whether the equipment
14 remained in the patient's home while the patient was hospitalized
15 or away.

16 (c-3) For purposes of Subsection (c-2), the commission
17 shall require that:

18 (1) a request for prior authorization under Subsection
19 (c-2)(3)(A) be based on an in-person assessment of the patient; and

20 (2) documentation of the patient's ongoing medical
21 need for the equipment is provided to the commission before the
22 commission grants an extension under Subsection (c-2)(3)(B).

23 (f) To comply with state and federal requirements to provide
24 access to medically necessary services under Medicaid, including
25 the Medicaid managed care program, and if the commission determines
26 it is cost-effective and clinically effective, the commission or a
27 Medicaid managed care organization, as applicable, may reimburse

1 providers for home telemonitoring services provided to persons who
2 have conditions and exhibit risk factors other than those expressly
3 authorized by this section. ~~[In determining whether the managed~~
4 ~~care organization should provide reimbursement for services under~~
5 ~~this subsection, the organization shall consider whether~~
6 ~~reimbursement for the service is cost-effective and providing the~~
7 ~~service is clinically effective.]~~

8 SECTION 3. If before implementing any provision of this Act
9 a state agency determines that a waiver or authorization from a
10 federal agency is necessary for implementation of that provision,
11 the agency affected by the provision shall request the waiver or
12 authorization and may delay implementing that provision until the
13 waiver or authorization is granted.

14 SECTION 4. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2023.

By: Perry

Substitute the following for __.B. No. ____

By: Chad Perry

¹¹ **ADOPTED** ^{B. No.} 2727

MAY 24 2023 ^{B. No.} ____

Latey Spaw
Secretary of the Senate

A BILL TO BE ENTITLED

AN ACT

relating to the provision of home telemonitoring services under Medicaid.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 531.001(4-a), Government Code, is amended to read as follows:

(4-a) "Home telemonitoring service" means a health service that requires scheduled remote monitoring of data related to a patient's health and transmission of the data to a licensed home and community support services agency, a federally qualified health center, a rural health clinic, or a hospital, as those terms are defined by Section 531.02164(a). The term is synonymous with "remote patient monitoring."

SECTION 2. Section 531.02164, Government Code, is amended by amending Subsections (a), (b), (c), (c-1), (d), and (f) and adding Subsections (c-2) and (c-3) to read as follows:

(a) In this section:

(1) "Federally qualified health center" has the meaning assigned by 42 U.S.C. Section 1396d(1)(2)(B).

(1-a) "Home and community support services agency" means a person licensed under Chapter 142, Health and Safety Code, to provide home health, hospice, or personal assistance services as defined by Section 142.001, Health and Safety Code.

(2) "Hospital" means a hospital licensed under Chapter

1 241, Health and Safety Code.

2 (3) "Rural health clinic" has the meaning assigned by
3 42 U.S.C. Section 1396d(1)(1).

4 (b) The ~~[If the commission determines that establishing a~~
5 ~~statewide program that permits reimbursement under Medicaid for~~
6 ~~home telemonitoring services would be cost-effective and feasible,~~
7 ~~the]~~ executive commissioner ~~[by rule]~~ shall adopt rules for the
8 provision and reimbursement of home telemonitoring services under
9 Medicaid ~~[establish the program]~~ as provided under this section.

10 (c) For purposes of adopting rules ~~[The program required]~~
11 under this section, the commission shall ~~[must]~~:

12 (1) identify and provide home telemonitoring services
13 to persons diagnosed with conditions for which the commission
14 determines the provision of home telemonitoring services would be
15 cost-effective and clinically effective;

16 (2) consider providing home telemonitoring services
17 under Subdivision (1) ~~[provide that home telemonitoring services~~
18 ~~are available only]~~ to Medicaid recipients ~~[persons]~~ who:

19 (A) are diagnosed with one or more of the
20 following conditions:

- 21 (i) pregnancy;
- 22 (ii) diabetes;
- 23 (iii) heart disease;
- 24 (iv) cancer;
- 25 (v) chronic obstructive pulmonary disease;
- 26 (vi) hypertension;
- 27 (vii) congestive heart failure;

1 (viii) mental illness or serious emotional
2 disturbance;
3 (ix) asthma;
4 (x) myocardial infarction; ~~[or]~~
5 (xi) stroke;
6 (xii) end stage renal disease; or
7 (xiii) a condition that requires renal
8 dialysis treatment; and
9 (B) exhibit at least one ~~[two or more]~~ of the
10 following risk factors:
11 (i) two or more hospitalizations in the
12 prior 12-month period;
13 (ii) frequent or recurrent emergency room
14 admissions;
15 (iii) a documented history of poor
16 adherence to ordered medication regimens;
17 (iv) a documented risk ~~[history]~~ of falls
18 ~~[in the prior six-month period]; and~~
19 (v) ~~[limited or absent informal support~~
20 ~~systems;~~
21 ~~[(vi) living alone or being home alone for~~
22 ~~extended periods of time; and~~
23 ~~[(vii)]~~ a documented history of care access
24 challenges;
25 (3) [(2)] ensure that clinical information gathered
26 by the following providers while providing home telemonitoring
27 services is shared with the recipient's physician:

1 (A) a home and community support services agency;
2 (B) a federally qualified health center;
3 (C) a rural health clinic; or
4 (D) a hospital ~~[while providing home~~
5 ~~telemonitoring services is shared with the patient's physician];~~
6 ~~[and]~~

7 (4) ~~[(3)]~~ ensure that the home telemonitoring
8 services provided under this section do ~~[program does]~~ not
9 duplicate disease management program services provided under
10 Section 32.057, Human Resources Code; and

11 (5) require a provider to:

12 (A) establish a plan of care that includes
13 outcome measures for each recipient who receives home
14 telemonitoring services under this section; and

15 (B) share the plan and outcome measures with the
16 recipient's physician.

17 (c-1) Notwithstanding any other provision of this section
18 ~~[Subsection (c)(1)]~~, the commission shall ensure ~~[the program~~
19 ~~required under this section must also provide]~~ that home
20 telemonitoring services are available to pediatric persons who:

- 21 (1) are diagnosed with end-stage solid organ disease;
22 (2) have received an organ transplant; or
23 (3) require mechanical ventilation.

24 (c-2) In addition to determining whether to provide home
25 telemonitoring services to Medicaid recipients with the conditions
26 described under Subsection (c)(2), the commission shall determine
27 whether high-risk pregnancy is a condition for which the provision

1 of home telemonitoring services is cost-effective and clinically
2 effective. If the commission determines that high-risk pregnancy
3 is a condition for which the provision of home telemonitoring
4 services is cost-effective and clinically effective:

5 (1) the commission shall, to the extent permitted by
6 state and federal law, provide recipients experiencing a high-risk
7 pregnancy with clinically appropriate home telemonitoring services
8 equipment for temporary use in the recipient's home; and

9 (2) the executive commissioner by rule shall:

10 (A) establish criteria to identify recipients
11 experiencing a high-risk pregnancy who would benefit from access to
12 home telemonitoring services equipment;

13 (B) ensure that, if cost-effective, feasible,
14 and clinically appropriate, the home telemonitoring services
15 equipment provided includes uterine remote monitoring services
16 equipment and pregnancy-induced hypertension remote monitoring
17 services equipment;

18 (C) subject to Subsection (c-3), require that a
19 provider obtain:

20 (i) prior authorization from the commission
21 before providing home telemonitoring services equipment to a
22 recipient during the first month the equipment is provided to the
23 recipient; and

24 (ii) an extension of the authorization
25 under Subparagraph (i) from the commission before providing the
26 equipment in a subsequent month based on the ongoing medical need of
27 the recipient; and

1 (D) prohibit payment or reimbursement for home
2 telemonitoring services equipment during any period that the
3 equipment was not in use because the recipient was hospitalized or
4 away from the recipient's home regardless of whether the equipment
5 remained in the recipient's home while the recipient was
6 hospitalized or away.

7 (c-3) For purposes of Subsection (c-2), the commission
8 shall require that:

9 (1) a request for prior authorization under Subsection
10 (c-2)(2)(C)(i) be based on an in-person assessment of the
11 recipient; and

12 (2) documentation of the recipient's ongoing medical
13 need for the equipment is provided to the commission before the
14 commission grants an extension under Subsection (c-2)(2)(C)(ii).

15 (d) If, after implementation, the commission determines
16 that a condition for which the commission has authorized the
17 provision and reimbursement of home telemonitoring services under
18 Medicaid [~~the program established~~] under this section is not
19 cost-effective and clinically effective, the commission may
20 discontinue the availability of home telemonitoring services for
21 that condition [~~program~~] and stop providing reimbursement under
22 Medicaid for home telemonitoring services for that condition,
23 notwithstanding Section 531.0216 or any other law.

24 (f) To comply with state and federal requirements to provide
25 access to medically necessary services under Medicaid, including
26 the Medicaid managed care program, and if the commission determines
27 it is cost-effective and clinically effective, the commission or a

1 Medicaid managed care organization, as applicable, may reimburse
2 providers for home telemonitoring services provided to persons who
3 have conditions and exhibit risk factors other than those expressly
4 authorized by this section. [~~In determining whether the managed~~
5 ~~care organization should provide reimbursement for services under~~
6 ~~this subsection, the organization shall consider whether~~
7 ~~reimbursement for the service is cost-effective and providing the~~
8 ~~service is clinically effective.~~]

9 SECTION 3. If before implementing any provision of this Act
10 a state agency determines that a waiver or authorization from a
11 federal agency is necessary for implementation of that provision,
12 the agency affected by the provision shall request the waiver or
13 authorization and may delay implementing that provision until the
14 waiver or authorization is granted.

15 SECTION 4. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2023.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 25, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2727 by Price (Relating to the provision of home telemonitoring services under Medicaid.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, SD, NPe, ER, CST

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 20, 2023

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2727 by Price (Relating to the provision of home telemonitoring services under Medicaid.),
Committee Report 2nd House, Substituted

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, NPe, ER, CST

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 16, 2023

TO: Honorable Lois W. Kolhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2727** by Price (Relating to the provision of home telemonitoring services under Medicaid.), As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for HB2727, As Engrossed : a negative impact of (\$2,985,378) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2024	\$0
2025	(\$2,985,378)
2026	(\$2,933,909)
2027	(\$3,014,627)
2028	(\$3,051,845)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from <i>GR Match For Medicaid</i> 758	Probable (Cost) from <i>Federal Funds</i> 555	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Foundation School Fund</i> 193
2024	\$0	\$0	\$0	\$0
2025	(\$3,074,780)	(\$4,588,223)	\$67,051	\$22,351
2026	(\$3,114,354)	(\$4,642,443)	\$135,334	\$45,111
2027	(\$3,152,012)	(\$4,698,579)	\$103,039	\$34,346
2028	(\$3,190,926)	(\$4,756,586)	\$104,311	\$34,770

Fiscal Analysis

The bill would amend requirements that home telemonitoring services for Medicaid reimbursement be cost-effective and clinically effective.

The bill would require a provider to provide patients experiencing a high-risk pregnancy with clinically appropriate home telemonitoring services.

The bill would add federally qualified health centers (FQHCs) and rural health clinics (RHCs) as providers.

Methodology

The Health and Human Services Commission assumes that telemonitoring services would be required for patients experiencing a high-risk pregnancy, and other conditions would only be covered if services were found to be cost-effective. Assuming a September 1, 2024, start date, the additional average monthly caseload associated with providing telemonitoring services for clients experiencing high-risk pregnancies and increasing the eligible providers is estimated to be 2,451 in fiscal year 2025, increasing in each subsequent fiscal year to 2,542 in fiscal year 2028. With an average per member per month of \$260.54, the estimated cost is \$7.6 million in All Funds, including \$3.0 million in General Revenue, in fiscal year 2025, increasing each subsequent fiscal year to \$7.9 million in All Funds, including \$3.1 million in General Revenue in fiscal year 2028. This analysis assumes costs associated with providing home telemonitoring services to additional clients, and not potential costs or savings that may result from changes to home telemonitoring.

The net increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in increased collections estimated to be less than \$0.1 million in fiscal year 2025, \$0.2 million in fiscal year 2026, \$0.1 million in fiscal year 2027, and \$0.1 million in fiscal year 2028. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

Technology

HHSC indicates that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, NPe, ER, CST, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 5, 2023

TO: Honorable Stephanie Klick, Chair, House Committee on Public Health

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2727 by Price (relating to the provision of home telemonitoring services under Medicaid.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB2727, Committee Report 1st House, Substituted : a negative impact of (\$13,345,806) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2024	\$0
2025	(\$13,345,806)
2026	(\$13,101,372)
2027	(\$13,460,276)
2028	(\$13,620,476)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from <i>GR Match For Medicaid</i> 758	Probable (Cost) from <i>Federal Funds</i> 555	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Foundation School Fund</i> 193
2024	\$0	\$0	\$0	\$0
2025	(\$13,745,466)	(\$20,511,147)	\$299,745	\$99,915
2026	(\$13,907,377)	(\$20,731,171)	\$604,504	\$201,501
2027	(\$14,073,700)	(\$20,979,101)	\$460,068	\$153,356
2028	(\$14,241,201)	(\$21,228,790)	\$465,544	\$155,181

Fiscal Analysis

The bill would amend requirements that home telemonitoring services for Medicaid reimbursement be clinically effective, instead of cost-effective.

The bill would amend the eligibility for home telemonitoring services and include clients that exhibit at least one of the included risk factors, instead of two.

The bill would add federally qualified health centers (FQHCs) and rural health clinics (RHCs) as providers.

Methodology

According to the Health and Human Services Commission (HHSC), the bill would result in increased utilization of home telemonitoring. Assuming a September 1, 2024, start date, the additional average monthly caseload associated with amending the eligibility for telemonitoring services and adding FQHCs and RHCs as providers is estimated to be 11,660 in fiscal year 2025, increasing in each subsequent fiscal year to 12,073 in fiscal year 2028. With an average per member per month of \$244.83, the estimated cost is \$34.3 million in All Funds, including \$13.7 million in General Revenue, in fiscal year 2025, increasing each subsequent fiscal year to \$35.5 million in All Funds, including \$14.2 million in General Revenue in fiscal year 2028. Potential costs associated with adding eligibility for any other condition not listed in the bill for which home telemonitoring services would be clinically effective, as determined by HHSC, cannot be determined at this time and are not included in this analysis. This analysis assumes costs associated with providing home telemonitoring services to additional clients, and not potential costs or savings that may result from changes to home telemonitoring.

The net increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in increased collections estimated to be \$0.4 million in fiscal year 2025, \$0.8 million in fiscal year 2026, \$0.6 million in fiscal year 2027, and \$0.6 million in fiscal year 2028. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

Technology

HHSC indicates that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, NPe, ER, CST, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 24, 2023

TO: Honorable Stephanie Klick, Chair, House Committee on Public Health

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2727 by Price (Relating to the provision of home telemonitoring services under Medicaid.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB2727, As Introduced : a negative impact of (\$12,779,255) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	\$0
2025	(\$12,779,255)
2026	(\$12,932,976)
2027	(\$13,090,489)
2028	(\$13,244,036)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from GR Match For Medicaid 758	Probable (Cost) from Federal Funds 555	Probable Revenue Gain from General Revenue Fund 1	Probable Revenue (Loss) from Foundation School Fund 193
2024	\$0	\$0	\$0	\$0
2025	(\$13,161,949)	(\$19,640,416)	\$287,021	\$95,673
2026	(\$13,320,025)	(\$19,855,629)	\$290,287	\$96,762
2027	(\$13,482,252)	(\$20,097,454)	\$293,822	\$97,941
2028	(\$13,640,394)	(\$20,333,191)	\$297,269	\$99,089

Fiscal Analysis

The bill would amend requirements that home telemonitoring services for Medicaid reimbursement be clinically effective, instead of cost-effective.

The bill would amend the eligibility for home telemonitoring services, and include clients that exhibit at least one of the included risk factors, instead of two.

The bill would add federally qualified health centers (FQHCs) and rural health clinics (RHCs) as providers.

Methodology

According to the Health and Human Services Commission (HHSC), the bill would result in increased utilization of home telemonitoring. Assuming a September 1, 2024 start date, the additional average monthly caseload associated with amending the eligibility for telemonitoring services and adding FQHCs and RHC as providers is estimated to be 11,160 in fiscal year 2025, increasing in each subsequent fiscal year to 11,558 in fiscal year 2028. With an average per member per month cost of \$244.94, the estimated cost is \$32.8 million in All Funds, including \$13.2 million in General Revenue, in fiscal year 2025, increasing each subsequent fiscal year to \$34.0 million in All Funds, including \$13.6 million in General Revenue in fiscal year 2028. This analysis assumes costs associated with providing home telemonitoring services to additional clients, and not potential costs or savings that may result from changes to home telemonitoring.

The net increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in increased collections estimated to be \$0.4 million in fiscal year 2025, \$0.4 million in fiscal year 2026, \$0.4 million in fiscal year 2027, and \$0.4 million in fiscal year 2028. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

Technology

HHSC indicates that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, NPe, ER, CST, NV